



North Carolina Department of Health and Human Services

Division of Budget and Analysis

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Michael F. Easley, Governor
Carmen Hooker Odom, Secretary

James B. Slate, Jr., Director

July 18, 2005

MEMORANDUM

TO: Division Directors
Office Directors
Budget Officers

FROM: Jim Slate
Division of Budget & Analysis

SUBJECT: Motor Fleet Mileage Rate Change

In a memorandum dated May 18, 2005 from the Office State Budget and Management, all Departments were notified that the mileage rate for use of a state issued passenger vehicle will increase from 23.0 cents per mile to 25.0 cents per mile for travel on or after July 1, 2005. This increase was due to the increased cost of gasoline. A copy of the OSBM memorandum is attached for your reference, this memo was sent via e-mail.

The following policies remain in effect:

- As communicated to you in December, 2004, employees incurring mileage on their personal vehicles in performing business for the State on and after January 1, 2005, will be reimbursed at the IRS business mileage rate of 40.5 cents per mile when a state vehicle is not available.
- Mileage reimbursement rates set by any other law by reference to G.S. 138-6(a) (1) are established at 25.0 cents, not the IRS rate.
- Mileage is measured from the closer of duty station or point of departure to destination (and return).
- Employees who elect to use their personal vehicle when a state-owned vehicle is available will be reimbursed at the **new rate of 25.0 cents** per mile for travel occurring on or after July 1, 2005.

If you have any questions, please contact you Budget Analyst in this office. Thanks!

JBEjr:gg

Attachment

cc: Carmen Hooker-Odom
Allen Dobson, Jr., MD

Jackie Sheppard
Allyn Guffey

Dan Stewart
Budget Analysts